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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	:	Chapter 11
	:	
DELPHI CORPORATION, <u>et al.</u> ,	:	Case No. 05-44481(RDD)
	:	
Debtors.	:	(Jointly Administered)

**CLARION CORPORATION OF AMERICA’S RESPONSE TO THE DEBTORS’
THIRTY-SECOND OMNIBUS OBJECTION PURSUANT TO 11 U.S.C. § 502(b)
AND FED. R. BANKR. P. 3007 REGARDING (A) ASSERTED AMOUNT CLAIMS,
(B) CLAIMS SUBJECT TO MODIFICATION, AND (C) CLAIMS TO BE EXPUNGED**

Clarion Corporation of America (“Clarion”), by and through its undersigned counsel, hereby files Clarion Corporation of America’s Response (the “Response”) to the Debtors’ Thirty-Second Omnibus Objection Pursuant to 11 U.S.C. § 502(b) and Fed. R. Bankr. P. 3007 Regarding (A) Asserted Amount Claims, (B) Claims Subject to Modification, and (C) Claims to be Expunged (the “Thirty-Second Omnibus Claims Objection”), and in support of this Response, respectfully states as follows:

BACKGROUND

1. Debtors’ Thirty-Second Omnibus Claims Objection proposes to modify and allow the claim filed by Clarion [Claim No. 2127] by reducing same from \$2,115,405.67 to \$2,010,294.45 (the “Clarion Claim”).

2. Debtors' Thirty-Second Omnibus Claims Objection asserts that "the Debtors have reached a settlement in principle with the holder of the [Clarion Claim]." See ¶ 28 of the Thirty-Second Omnibus Claims Objection.

3. Paragraph 49 of the Thirty-Second Omnibus Claims Objection seeks to condition the allowance of the Clarion Claim upon certain releases in favor of, and the reservations of various rights by the Debtors.

RESPONSE

4. In the abstract, Clarion does not object to the allowance of the Clarion Claim in the amount proposed by the Debtors.

5. However, Clarion has been diligently working with Debtors on a stipulation ("Stipulation") which addresses matters beyond those which would be addressed via the Thirty-Second Omnibus Claims Objection, and substantial progress has been made in recent days toward finalizing that Stipulation. Clarion believes that it would be in the best interests of Clarion and the Debtors to continue to work toward finalization of the Stipulation for a limited additional period following which, if efforts to achieve consensus on the terms and provisions of the Stipulation are unsuccessful, a hearing to consider and act upon the relief requested with respect to the Clarion claim in the Thirty-Second Omnibus Claims Objection may be rescheduled.

MEMORANDUM OF LAW

6. This Response sets forth the relief requested by Clarion under appropriate headings and contains citation of authorities upon which the relief requested is based. Clarion respectfully requests that the requirements of the service and filing of a memorandum of law

under Local Rule 9013-1(b) of the Local Rules for the United States Bankruptcy Court for the Southern District of New York be deemed satisfied.

RESERVATION OF RIGHTS

7. Clarion expressly reserves its right to supplement and modify this Response. Nothing contained herein should be construed as a waiver by Clarion of or with respect to any other rights or claims it may hold in connection with these cases.

WHEREFORE, Clarion respectfully requests that the Court defer ruling upon the Thirty-Second Omnibus Claims Objection as it relates to the Clarion claim so as to permit Clarion and the Debtors a brief additional period within which to work toward finalization of the above-referenced Stipulation, and that the Court grant such other and further relief as is appropriate under the circumstances.

Dated: December 9, 2008

/s/ Mark R. Owens

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